

EISCAT Scientific Association
Registered as a Swedish non-profit organisation
Organisation number: 897300-2549

Annual report for the financial year 2015-01-01 – 2015-12-31

The EISCAT Council and the Director for the Association submits herewith the annual report for 2015.

Content	Page
Administration report	1
Profit and loss accounts	5
Balance sheet	6
Statement of cash flows	7
Notes	8

ADMINISTRATION REPORT

Ownership, organisation and objective

The EISCAT Scientific Association was established in 1975 through an agreement between six European organisations. Japan joined in 1996 and the Peoples Republic of China in 2007.

The EISCAT Associates at 2015-12-31 are: China Research Institute of Radiowave Propagation (Peoples Republic of China), National Institute of Polar Research (Japan), Natural Environment Research Council (United Kingdom of Great Britain and Northern Ireland), Norges forskningsråd (Norway), Institute for Space-Earth Environment Research, Nagoya University (Japan), Suomen Akatemia (Finland), and Vetenskapsrådet (Sweden).

The now running EISCAT Agreement came into force 2007-01-01, with all Associates making long term funding commitments to the Association. The Association has its formal seat in Kiruna, Sweden, and is registered as a non-profit organisation.

The aim of the Association is to make significant progress in the understanding of physical processes in the high latitude atmosphere by means of experimental programmes generally conducted using the incoherent scatter radar technique, which may be carried out as part of wider international projects. For this purpose, the Association has developed, constructed, and now operates, a number of radar facilities at high latitudes. At present, these comprise a system of stations at Tromsø (Norway), Kiruna (Sweden), Sodankylä (Finland), and Longyearbyen (Svalbard).

The Association is fully funded by the Associates but additional operations may also be funded by short term additional contributions from both Associate and non-Associate bodies. Depending on the available funding, scientific priorities and operational targets are adjusted on an annual basis.

The EISCAT Council is charged with the overall administration and supervision of the Association's activities. The Council appoints a Director, who is responsible for the daily management and operation of the facilities of the Association.

Operation and scientific development

The EISCAT Radars delivered a full programme of operations for the user community and operated reliably throughout the year.

The various EISCAT radars operated for a total of 2 674 accounted hours (2 757 hours in 2014).

Common Programmes amounted to 36% (49%) of the operations. Special Programmes amounted to 55% (43%) and other operations amounted to 9% (8%) of the total hours.

France, Russia, South Korea and Ukraine have affiliate agreements and totally 76 hours (60 hours) were affiliates accounted. The Peer-Review Programme made it possible for users from Belgium, France, Germany, Netherlands, Norway, South Africa, South Korea, Sweden, UK and

USA to run experiments, at no cost, on the systems. Peer-Review time amounted to 176 accounted hours (128 hours).

Future operation and scientific development

All systems are ready for users. These comprise now of the EISCAT Svalbard Radar, Heating and the UHF and VHF radars with the possibility to run the VHF in tristatic mode by using the antennas in Kiruna and Sodankylä for reception.

Project activities

Two EU Framework Programme 7 projects ended in autumn: ESPAS “Near-Earth Space Data Infrastructure for e-Science” and COOPEUS “Strengthening the cooperation between the US and the EC in the field of environmental research infrastructures”. The VR-PG “planering av EISCAT_3D” ended at the end of the year.

Three new EU framework programme H2020 projects started: EGI-Engage “Engaging the EGI Community towards an Open Science Commons”, EISCAT3D_PfP “EISCAT_3D: Preparation for Production” and ENVRI_Plus “Environmental Research Infrastructures Providing Shared Solutions for Science and Society”. A collaborative project between EISCAT and NeIC, Nordforsk (Nordic e-Infrastructure Collaboration) to support EISCAT_3D started as well.

EISCAT3D_PfP has a 3.1 MEUR budget and is a single beneficiary project. Its purpose is to bring the EISCAT_3D concept to industry and have delivery of the first initial units which will be assembled and tested for the first time in an integrated mode. The project started 2015-09-01 and will run for two years. The first year is much about continued planning and initiating industry procurements which will then be delivered and tested in the second year. A test-array comprising of 91 antennas and 182 channels will be assembled at the EISCAT Tromsø site as part of the project.

The MISW “Mitigation of space weather threats to GNSS services” FP7 project and the Vetenskapsrådet (Sweden) funded VR-OG “EISCAT_3D: nästa generations internationella radarsystem för utforskning av atmosfären och den jordnära rymden” continued throughout the year.

The work of the Council and its committees

The Council had two ordinary meetings under the leadership of the new Chairperson, Dr. Ian McCrea. The spring meeting was held in June, in Kiruna, Sweden, and included a site visit to the potential Swedish EISCAT_3D site at Bergfors (located about 40 km NW of Kiruna). The autumn meeting was held on Hainan Island, P. R. of China, early November.

The Scientific Oversight Committee had two meetings during the year. The spring meeting was held in April at the Ångström Laboratory, Uppsala, Sweden and the autumn meeting was held at the South African National Space Agency, in Hemanus, in September. The spring meeting was chaired by Dr. Yasunobu Ogawa and the autumn meeting was chaired by the new Chairperson, Dr. Thomas Ulich.

The adHoc established Administrative and Finance Committee had an introductory meeting in January, in United Kingdom, and two ordinary meetings, at Vetenskapsrådet, Stockholm,

Sweden, in May, and at the Tromsø University, Norway, in October. The first two meetings were chaired by the interim Chairperson, Dr. Ian McCrea. The third meeting was chaired by the new ordinary Chairperson, Mrs. Meri Vannas. During the Tromsø meeting, the Committee visited both the EISCAT Tromsø site and the potential new EISCAT_3D Skibotn location.

The work at both Council and the Committees was much about regular affairs, finalising the updated EISCAT agreement and EISCAT_3D funding activities. The funding negotiations are though largely handled by Associate level round table sittings. One round table meeting was held in 2015. Council renewed also the employment contract with the current Director for another three years starting from 1 January 2016.

Budget development during the year

The 2015 operations ended over the operating target set for the year. The Svalbard radar ran 122 hours less than budgeted and the mainland systems ran 179 hours more than first planned. The user demand remain much on the mainland systems; the UHF and VHF radars and Heating.

The overall spend followed well the prediction for the year and the regular income was well on target. Income from project work, much due to the new EU projects, became better than budgeted. The larger than usual SEK-EUR exchange rate variations towards the end of the year resulted in a financial loss due to value reassessments of received EU prefinancing. The end result became positive.

The long-term budget plan

The long-term budget plan continues to be challenging though now somewhat improved. The five years plan is balanced 2016 - 2019 and the operations will be around 2 500 hours per year during this period. The construction of EISCAT_3D will likely start earliest 2017 and will take five years to complete. The current five years plan do not take this construction, and later operations of the new facilities into account.

The result for 2015 and profit/loss handling

The year was balanced by transferring 2 104 kSEK to the Surplus fund.

PROFIT AND LOSS ACCOUNTS

in thousands of Swedish Crowns

	Note 1	2015	2014
Associate contributions	Note 2	23 080	21 837
Other operating income		6 631	6 640
		<u>29 711</u>	<u>28 476</u>
Operation costs		-5 529	-5 730
Administration costs		-3 767	-4 139
Personnel costs	Note 3	-18 306	-19 102
Depreciation of fixed assets		-1 802	-1 384
		<u>-29 404</u>	<u>-30 355</u>
<i>Operating profit/loss</i>		307	-1 878
Interest income		89	61
Other financial income and cost		-325	1 183
Own reserves and funds	Note 4	231	-968
		<u>-5</u>	<u>276</u>
<i>Profit/loss after financial items</i>		302	-1 602
Appropriations	Note 5	-2 104	218
Transfer from funds invested	Note 6	1 802	1 384
		<u>-302</u>	<u>1 602</u>
<i>Net profit/loss for the year</i>		0	0

BALANCE SHEET

in thousands of Swedish Crowns

		2015	2014
ASSETS			
<u>Fixed assets</u>			
<i>Tangible fixed assets</i>	Note 7		
Buildings		2 265	2 437
Radar systems		5 084	5 765
Equipment and tools		2 847	2 354
		<hr/> 10 196	<hr/> 10 556
<u>Current assets</u>			
Receivables		1 598	5 477
Prepayments and accrued income	Note 8	2 505	8 039
Cash at bank and in hand	Note 9	37 041	22 959
		<hr/> 41 145	<hr/> 36 476
<i>Total assets</i>		51 341	47 032
CAPITAL AND LIABILITIES			
<u>Capital</u>			
Funds invested	Note 10	10 196	10 556
Funds held on reserve	Note 11	16 241	15 811
		<hr/> 26 437	<hr/> 26 367
<u>Current liabilities</u>			
Liabilities, trade	Note 12	24 586	20 291
Provisions		0	0
Other liabilities		318	373
		<hr/> 24 903	<hr/> 20 664
<i>Total capital and liabilities</i>		51 341	47 032
<i>Pledged assets</i>		<i>none</i>	<i>none</i>
<i>Contingent liabilities</i>		<i>none</i>	<i>none</i>

STATEMENT OF CASH FLOWS

in thousands of Swedish Crowns

	2015	2014
<u>Operating activities</u>		
Operating result before financial items	307	-1 878
Transfer from funds invested	1 802	1 384
Interest received	89	61
Currency exchange rate changes	-392	973
Extra ordinary income and cost	67	210
Increase/decrease of receivables	3 879	3 388
Increase/decrease of prepayments and accrued income	5 534	-2 743
Increase/decrease of creditors and liabilities	4 239	-2 266
<i>Cash flow from operations</i>	<i>15 524</i>	<i>-872</i>
<u>Investment activities</u>		
Investments in tangible assets	-1 443	-6 800
<i>Cash flow from investment activities</i>	<i>-1 443</i>	<i>-6 800</i>
<i>Cash flow for the year</i>	<i>14 082</i>	<i>-7 672</i>
<i>Liquid assets at the beginning of the year</i>	<i>22 959</i>	<i>30 631</i>
<i>Liquid assets at the end of the year</i>	<i>37 041</i>	<i>22 959</i>

NOTES

2015 2014

Note 1 Accounting principles

The accounting and valuation principles applied are consistent with the provisions of the Swedish Annual Accounts Act and generally accepted accounting principles (bokföringsnämnden allmänna råd och vägledningar).

All amounts are in thousands of Swedish kronor (SEK) unless otherwise stated.

Receivables

Receivables are stated at the amounts estimated to be received, based on individual assessment.

Receivables and payables in foreign currencies

Receivables and payables in foreign currencies are valued at the closing day rate. Where hedging measures have been used, such as forwarding contracts, the agreed exchange rate is applied. Gains and losses relating to operations are accounted for under other financial income and cost.

Bank accounts in foreign currencies

Bank balances in foreign currencies are valued at the closing day rate.

Fixed assets

Tangible fixed assets are stated at their original acquisition values after deduction of depreciation according to plan. Assets are depreciated systematically over their estimated useful lives. The following periods of depreciation are applied: Buildings 5 - 50 years, Radar systems 3 - 20 years and Equipment and tools 1 - 5 years.

Note 2 Associate contributions

The Associates contributed to the operation during the year in accordance with the agreement. The commitments are in local currencies. The received contributions have been accounted in SEK.

	<u>2015</u>
CRIRP (P. R. of China)	4 013
NIPR (Japan)	1 568
RCN (Norway)	5 617
SA (Finland)	3 553
NERC (United Kingdom)	2 660
VR (Sweden)	5 670
	<u>23 080</u>

Accumulated contributions status as of 2015-12-31

In 2015, both United Kingdom, 166 kSEK, and Sweden, 6 998 kSEK, were credited for providing project related funds.

	<u>1976 - 2015</u>
Previous Associates	382 168
CRIRP (P. R. of China)	29 633
NIPR (Japan)	76 523
RCN (Norway)	167 765
SA (Finland)	78 458
NERC (United Kingdom)	231 614
VR (Sweden)	148 237
	<u>1 114 398</u>

Note 3 Personnel costs and average number of employees

The Association employs directly the Headquarters staff, currently about ten positions, including the Director. The Headquarters is located in Kiruna, Sweden. The personnel working at the Kiruna (Sweden), Sodankylä (Finland), Svalbard and Tromsø (Norway) sites are normally not employed by the Association.

Instead, the personnel are provided via site contracts by the Swedish Institute of Space Physics (Kiruna site staff), Oulu University (Sodankylä staff) and Tromsø University (Tromsø and Svalbard staff). The Association refunds all expenses related to the provided staff, as well as an additional overhead.

Personnel costs in total

Salaries and emoluments paid to the Director	1 522	1 475
Other personnel, employed and provided via site contracts	11 288	12 084
Social security contributions amounted to of which for pension costs	5 060 2 719	5 025 2 474

The Director, Dr. Craig Heinselman, started his employment 2013-01-01. Council agreed during the year to renew his employment contract for a further up to three years period.

Of the pension costs, 291 kSEK (283 kSEK) relates to the Director. He and all other directly employed staff are included in ITP like occupational pension plans. For the personnel provided via site contracts, the pension plans are handled by their respective employer.

The members of the board (EISCAT Council) and members of committees, who represents Associates, do not receive remunerations from the Association. Travel expenses in connection with Council and committee meetings are normally covered by the Associates.

Salaries and emoluments and average number of staff per country

Finland		
Salaries and emoluments	634	626
Average number of staff - men and women	1 + 0	1 + 0
Norway (including Svalbard)		
Salaries and emoluments	5 318	5 491
Average number of staff - men and women	9 + 0	9 + 0
Sweden		
Salaries and emoluments	6 858	7 442
Average number of staff - men and women	8 + 2	8 + 2

Members of the board and Directors at year-end - men and women

The board consist of delegations from every Associate country each having a Delegate (formal member) and up to two Representatives.

Board members (EISCAT Council)	11 + 3	11 + 3
Directors	1 + 0	1 + 0

Note 4 Own reserves and funds

Transactions involving own reserves and funds.

Capital Operating reserve		
Transfer to the reserve	-765	-1 235
Transfer from the reserve	1 423	4 239
Investments made	-1 443	-6 800
Spare parts reserve		
Transfer to the reserve	-7	-10
Transfer from the reserve	8	37

	2015	2014		2015	2014
Surplus fund					
Transfer from the fund	1 015	2 800	Prepaid rents	13	109
Transfer to the fund	0	0	Prepaid insurances	633	594
<i>Sum own reserves and funds</i>	<i>231</i>	<i>-968</i>	Accrued income, COOPEUS project	0	458
Note 5 Appropriations			Accrued income, EGI-Engage project	364	0
The outcome for this year became a surplus relative to the budget amounting to 2 104 kSEK. The amount has been transferred to the surplus fund. The 2014 outcome resulted in a deficit (-218 kSEK), which was covered by a transfer from the investment fund.			Accrued income, EISCAT3D_PfP project	491	0
			Accrued income, ENVRI_Plus project	222	0
			Accrued income, ESPAS project	0	1 312
			Accrued income, MISW project	254	173
			Accrued income, VR-OG project	329	0
			Accrued income, VR-PG project	0	5 312
			Other items	199	81
				<u>2 505</u>	<u>8 039</u>
Note 6 Transfer from funds invested			Note 9 Bank balances status		
The depreciation cost is covered by funds from Capital - funds invested			Nordea	37 040	22 957
			Cash in hand	1	2
				<u>37 041</u>	<u>22 959</u>
Note 7 Tangible fixed assets			Note 10 Funds invested status		
Changes in tangible fixed assets during 2015.			Buildings	2 265	2 437
			Radar Systems	5 084	5 765
			Equipment and Tools	2 847	2 354
				<u>10 196</u>	<u>10 556</u>
Buildings			Note 11 Funds held on reserve		
Opening acquisition value	42 413	42 424	Regular investments became higher than budgeted primarily due to partially unexpected car replacements. The surplus for this year (2 104 kSEK) was added to the surplus fund. The other transfers were as budgeted.		
Acquisitions during the year	58	4	Capital operating reserve	1 407	2 065
Disposals during the year	0	-14	Equipment repair fund	754	754
Closing acquisition value	42 471	42 413	Investment fund	7 753	7 753
			Restructuring reserve	4 101	4 101
			Spare parts reserve	122	122
Opening accumulated depreciation	-39 976	-39 762	Surplus fund	2 104	1 015
Depreciations during the year	-231	-228		<u>16 241</u>	<u>15 811</u>
Disposals during the year	0	14	Note 12 Liabilities, trade		
Closing accumulated depreciation	-40 207	-39 976	All externally funded projects work with prefinancing. For European Commission projects, these are in EUR's. The prefinancing is used to cover reported and approved costs. The ENVRI, EISCAT_3D_2 and VR-PG projects were financially completed during the year. Both the ended COOPEUS and ESPAS projects were still financially open at the end of the year. Prefinancing for the new projects, EGI-Engange, EISCAT3D_PfP and ENVRI_Plus were received.		
Closing residual value	2 265	2 437	COOPEUS FP7 prefinancing	1 490	1 522
			EGI-Engage H2020 prefinancing	461	0
Radar systems			EISCAT_3D_2 FP7 guarantee fund, whole project	0	2 111
Opening acquisition value	250 087	244 693	EISCAT_3D_2 FP7 prefinancing	0	1 826
Acquisitions during the year	0	5 394	EISCAT3D_PfP H2020 prefinancing	12 909	0
Disposals during the year	0	0	ENVRI FP7 prefinancing	0	484
Closing acquisition value	250 087	250 087	ENVRI_Plus H2020 prefinancing	1 425	0
			ESPAS FP7 prefinancing	468	2 291
Opening accumulated depreciation	-244 322	-244 042	MISW FP7 prefinancing	548	519
Depreciations during the year	-681	-280	VR-OG prefinancing	4 000	2 000
Disposals during the year	0	0	VR-PG prefinancing	0	7 000
Closing accumulated depreciation	-245 002	-244 322	Liabilities, trade	3 286	2 537
Closing residual value	5 084	5 765		<u>24 586</u>	<u>20 291</u>
Equipment and tools					
Opening acquisition value	32 649	31 726			
Acquisitions during the year	1 384	1 402			
Disposals during the year	1 131	480			
Closing acquisition value	32 902	32 649			
Opening accumulated depreciation	-30 295	-29 899			
Depreciations during the year	-891	-876			
Disposals during the year	1 131	480			
Closing accumulated depreciation	-30 055	-30 295			
Closing residual value	2 847	2 354			
<i>Sum tangible fixed assets</i>	<i>10 196</i>	<i>10 556</i>			
Note 8 Prepayments and accrued income					
Resources in staff and direct costs spent in ongoing externally funded projects are covered by accrued income until settled by periodic report claims. In 2015, the ESPAS, COOPEUS and VR-PG projects ended and three new, EGI-Engage, EISCAT3D_PfP and ENVRI_Plus, started.					

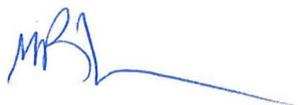
Tromsø 2016-06-01



Dr. Tomas Andersson



Prof. Qing-sheng Dong



Dr. Mervyn Freeman



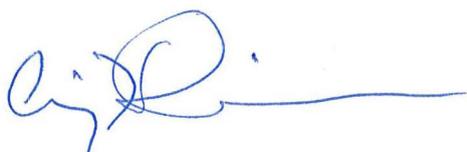
Dr. Bjørn Jacobsen



Prof. Hiroshi Miyaoka



Dr. Kati Sulonen



Dr. Craig Heinselman
Director

Our audit report was issued on 2016-06-13



Mrs. Annika Wedin
Authorised Public Accountant



Auditor's report

To the council of EISCAT Scientific Association, Corporate Identity Number 897300-2549

Report on the annual accounts

I have audited the annual accounts of EISCAT Scientific Association for the year 2015.

Responsibilities of the council and the director for the annual accounts

The council and the director are responsible for the preparation and fair presentation of the annual accounts in accordance with the Annual Accounts Act, and for such internal control as the council and the director determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on the annual accounts based on my audit. I conducted my audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the annual accounts, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the council and the director, as well as evaluating the overall presentation of the annual accounts.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the association as of 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

Report on other legal and regulatory requirements

In addition to my audit of the annual accounts, I have also audited the administration of the council and the director of EISCAT Scientific Association for the year 2015.

Responsibilities of the council and the director

The council and the director are responsible for the administration.

Auditor's responsibility

My responsibility is to express an opinion with reasonable assurance on the administration based on my audit. I conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for my opinion on the council and the director's administration, in addition to my audit of the annual accounts, I examined significant decisions, actions taken and circumstances of the association in order to determine whether any member of the council or the director have undertaken any action or is guilty of negligence which may entail a liability for damages. I also examined whether any council member or the director has, in any other way, acted in contravention of the Annual Accounts Act or the statutes.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

The council and the director have not acted in contravention of the statutes.

Gävle, 13 June 2016

Annika Wedin

Authorized Public Accountant